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DEPARTMENT OF COMMERCE

International Trade Administration

A-201-805

Certain Circular Welded Non-Alloy Steel Pipe from Mexico; Preliminary Results of Review, Preliminary Determination of No Shipments, and Partial Rescission of Antidumping Duty Administrative Review; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. The period of review (POR) is November 1, 2015, through October 31, 2016.

Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mark Flessner, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6312.

SUPPLEMENTARY INFORMATION:

Background

On January 13, 2017, the Department published a notice of initiation of an administrative review of the antidumping duty order¹ on certain circular welded non-alloy steel pipe from

¹ See *Notice of Antidumping Duty Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992) (the *Order*).

Mexico.² The *Initiation Notice* covered the following producers/exporters of the subject merchandise: (1) Abastecedora y Perfiles y Tubos, S.A. de C.V. (Abastecedora); (2) Conduit, S.A. de C.V. (Conduit); (3) Lamina y Placa Comercial, S.A. de C.V. (Lamina y Placa); (4) Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa); (5) Maquilacero S.A. de C.V. (Maquilacero); (6) Mueller Comercial de Mexico, S. de R.L. de C.V. (Mueller); (7) Productos Laminados de Monterrey S.A. de C.V. (Prolamsa); (8) Pytco, S.A. de C.V. (Pytco); (9) Ternium Mexico, S.A. de C.V. (Ternium); (10) Villacero; and (11) Tuberia Nacional, S.A. de C.V. (Tuberia).³ On July 10, 2017, and November 6, 2017, the Department extended the deadline for the preliminary results.⁴ The revised deadline for the preliminary results of this review is now November 30, 2017. For a full description of events in this proceeding, *see* the Preliminary Decision Memorandum.⁵

Scope of the Order

The products covered by the order are circular welded non-alloy steel pipes and tubes. The merchandise covered by the order and subject to this review is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum, which is hereby adopted by

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 4294 (January 13, 2017) (*Initiation Notice*).

³ *Id.*

⁴ See Memorandum, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated July 10, 2017, and Memorandum, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated November 6, 2017.

⁵ See Memorandum “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Preliminary Decision Memorandum” (Preliminary Decision Memorandum).

this notice and incorporated herein by reference. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn>. The signed Preliminary Decision Memorandum and electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, in whole or in part, if a party that requested the review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review. On January 13, 2017, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), the Department initiated a review of the companies in this proceeding for which timely requests for review were received.⁶ On April 13, 2017, the petitioner timely withdrew its request for a review of Mueller.⁷ Because all requests for review of Mueller were timely withdrawn, we are rescinding this administrative review with respect to Mueller pursuant to 19 CFR 351.213(d)(1).⁸

On April 12, 2017, Maquilacero withdrew its request for an administrative review of itself;⁹ however, the petitioner also requested a review of Maquilacero which was not withdrawn; therefore, we are not rescinding this review with respect to Maquilacero.

⁶ See *Initiation Notice*.

⁷ See Letter from Petitioner, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Partial Withdrawal of Request for Administrative Review," dated April 13, 2017 (Petitioner Withdrawal Request).

⁸ See the Preliminary Decision Memorandum at the section entitled, "Partial Rescission."

⁹ See Letter from Maquilacero, "Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico; Withdrawal of Request for Review for Maquilacero S.A. de C.V.," dated April 12, 2017 (Maquilacero Withdrawal Request).

Preliminary Determination of No Shipments

Lamina y Placa, Pytco, Regiopytsa, Villacero, and Tuberia reported that they made no sales of subject merchandise during the POR.¹⁰ On April 28, 2017, we issued a no-shipment inquiry to U.S. Customs and Border Protection (CBP) to confirm the claims of no shipments by Lamina y Placa, Pytco, Regiopytsa, Villacero, and Tuberia. We received no response to our inquiry from CBP. Therefore, based on the claims of no shipments by Lamina y Placa, Pytco, Regiopytsa, Villacero, and Tuberia, and because the record currently contains no information to the contrary, we preliminarily determine that Lamina y Placa, Regiopytsa, Pytco, Villacero, and Tuberia had no shipments of subject merchandise and, therefore, no reviewable transactions during the POR. Moreover, consistent with our practice, we are not preliminarily rescinding the review with respect to Lamina y Placa, Pytco, Regiopytsa, Villacero, and Tuberia but, rather, we will complete the review with respect to these companies and issue appropriate instructions to CBP based on the final results of this review.¹¹

Methodology

The Department is conducting this review in accordance with section 751(a)(2) of the Act. Constructed export price (CEP) is calculated in accordance with section 772(c) of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is included

¹⁰ See Letter from Lamina y Placa, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales,” dated January 25, 2017; Letter from Villacero, “Circular Welded Non-Alloy Steel Pipe and Tube from Mexico: Notice of No Sales,” dated February 3, 2017; Letter from Regiopytsa, “Circular Welded Non-Alloy Steel Pipe from Mexico: No Shipment Notification,” dated February 13, 2017.

¹¹ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand: Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR at 51306 (August 28, 2014).

as an Appendix to this notice.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the following weighted-average dumping margins for the POR:

Exporter or Producer	Weighted-Average Dumping Margin
Abastecedora y Perfiles y Tubos, S.A. de C.V.	73.70 percent
Conduit, S.A. de C.V.	73.70 percent
Maquilacero, S.A. de C.V.	73.70 percent
Productos Laminados de Monterrey, S.A. de C.V./ Aceros Cuatro Caminos S.A. de C.V. ¹²	73.70 percent
Ternium Mexico, S.A. de C.V.	73.70 percent

For the rate for non-selected respondents in an administrative review, generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted- average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” In this proceeding, we calculated a margin for Prolamsa that was not zero, *de minimis*, or based on facts available. Accordingly, we have preliminarily applied the margin calculated for Prolamsa to the non-individually examined respondents.

Assessment Rates

With respect to Muller, the Department will direct CBP to assess antidumping duties at the cash deposit rate in effect on the date of entry for entries during the period November 1, 2015, through October 31, 2016. We intend to issue liquidation instructions to CBP 15 days after publication of this notice.

¹² The Department has preliminarily treated these companies as a single entity. See Preliminary Decision Memorandum.

Consistent with the Department's assessment practice, if we continue to find in the final results that Lamina y Placa, Pytco, Regiopyta, Villacero, and Tuberia had no shipments of subject merchandise during the POR, we will instruct CBP to liquidate any suspended entries at the all-others rate if there is no rate for the intermediate companies involved in the transaction.¹³

With respect to the non-selected companies that remain under review and for which we do not make a final determination of no shipments, upon completion of the administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries.¹⁴ For any individually examined respondent whose weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Where either a respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. For entries of subject merchandise during the POR produced by each respondent for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate company involved in the transaction.¹⁵

We intend to issue instructions to CBP 15 days after publication of the final results of this review.

¹³ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁴ In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

¹⁵ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of certain circular welded non-alloy steel pipe from Mexico entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2) of the Act: (1) the cash deposit rates for Abastecedora, Conduit, Maquilacero, Prolamsa, and Ternium will be the weighted-average dumping margins established in the final results of this administrative review except if the rates are *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value investigation but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of the proceeding for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 32.62 percent *ad valorem*, the all-others rate established in the original less-than-fair-value investigation.¹⁶ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

¹⁶ See *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from Mexico*, 57 FR 42953 (September 17, 1992).

The Department intends to disclose to interested parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice.¹⁷ Pursuant to 19 CFR 351.309(c), interested parties may submit cases briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹⁸ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁹ Case and rebuttal briefs should be filed using ACCESS.²⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.²¹ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, parties will be notified of the date and time of the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), the Department intends to issue the final results of this administrative review,

¹⁷ See 19 CFR 351.224(b).

¹⁸ See 19 CFR 351.309(d).

¹⁹ See 19 CFR 351.309(c)(2) and (d)(2).

²⁰ See 19 CFR 351.303.

²¹ See 19 CFR 351.310(c).

including the results of its analysis of the issues raised in all written case briefs, within 120 days after the issuance of these preliminary results.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h)(1).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary of Enforcement and Compliance

Dated: November 30, 2017

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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